

South Carolina Board of Economic Advisors

Statement of Estimated Revenue Impact

Date: March 5, 2008

Bill Number: S. 1030

Author: Ritchie

Committee Requesting Impact: Finance

Bill Summary


A bill to amend Section 11-45-30 of the 1976 Code, relating to definitions, so as to clarify the definition of 'lender' and provide a definition for 'interest'; to amend Section 11-45-50, as amended, relating to requirements for the submission of investment plans, so as to provide clarifying language; to amend Section 11-45-55, relating to tax credit certificates, so as to require that the South Carolina Venture Capital Authority establish guidelines for procedures to issue tax credits and delete the requirement that the Authority also establish regulations; to amend Section 11-45-70, as amended, relating to venture capital investment requirements, so as to allow an investor to be qualified if he proves that he has made prior investments in South Carolina or South Carolina based companies; and to add Section 11-45-105 so as to require the Budget and Control Board to approve guidelines issued by the Authority.

REVENUE IMPACT ^{1/}

This bill is not expected to have an impact on General Fund revenue.

Explanation

This section amends the South Carolina Venture Capital Act of 2005 by removing the term "regulations" from the statute, providing a definition for "interest", and clarifying that out-of-state financial institutions that can prove prior experience in state-based venture capital programs and prior investments in South Carolina or South Carolina based companies may be considered "lenders" under this provision. This section provides technical changes to current law. This section, therefore, is not expected to have an impact on General Fund revenue.


William C. Gillespie, Ph.D.
Chief Economist

Analyst: Shuford

^{1/} This statement meets the requirement of Section 2-7-71 for a state revenue impact by the BEA, or Section 2-7-76 for a local revenue impact, or Section 6-1-85(B) for an estimate of the shift in local property tax incidence by the Office of Economic Research.